

management of the Bank of France did what they could to prevent a crisis by fusion with existing banks of issue. A consolidation was arranged with the *Ca/sse d'faMMpfr Ju Commerce*, which turned over its assets and received hills of the Bank of France in exchange. The shareholders hail the option of becoming shareholders of the Bank of France with all the privileges of the original shareholders.

The financial crisis which broke out upon the formation of the third coalition against France, after the rupture of the Peace of Aniens, resulted in radical changes in the constitution of the Bank of France. The preparations for the campaign of Austerlitz required large expenditures by the government and the syndicate of contractors for supplies for the armies obtained large loans from the bank in the form of bills. The bills began to be presented for redemption at the rate of two or three million francs a week. The coin reserve of the bank was reduced, specie was demanded by the bank in the settlement of its balances with bankers in the departments, and accommodation bills of exchange were largely drawn by the contractors to obtain new loans, with the result of new note issues and new demands for redemption. The circulation, which before 1803 had never exceeded 30,000,000 francs, surpassed 80,000,000 and the bills began to fall below par. The council of the regency limited redemptions to a fixed sum per day, and in course of time the contraction of discounts and the settlement of balances due the bank re-established equilibrium. The victory of Austerlitz (December 2, 1805) assisted in restoring confidence, and Napoleon, the morning after his return to Paris, summoned a council to discuss the crisis which had absorbed his thoughts even upon the field of battle.¹

The Emperor was convinced that bad management much to do with the crisis, and within twenty-four hours of the council M. Mollien succeeded M. de BarM-Marbois as Minister of the Treasury and was charged with the tion of a new plan of organization for the bank. He recommended that the bank be linked with the State and that it ", L, 104.